

FISCAL NOTE

SB 530 - HB 1224

March 17, 1997

SUMMARY OF BILL: Revises Franchise and Excise Tax Credits as follows:

- Repeals Child Care Facility Credit against the Franchise tax;
- Creates a credit against the franchise tax equal to 5% of the cost of recycling equipment and 20% of the cost of recycling materials;
- Creates a credit against the excise tax of 30% of the cost of recycling equipment and 20% of the cost of recycling materials.
- Limits each of the four credits to no more than 50% of the total applicable tax liability; and
- Allows the unused credits to be carried forward for 15 years or until used.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$101,500 One-Time

\$20,000 Recurring

Decrease State Revenues - Net Impact - Exceeds \$400,000

Assumes an increase in one time state expenditures of \$101,500 and recurring state expenditures of \$20,000 for changes in the computer system.

Assumes an increase in state revenues from the repeal of the Child Care Facility Credit. The amount of such increase is not known, but is estimated not to exceed \$100,000. Also assumes a decrease in state revenues exceeding \$500,000, since there are many corporations required to purchase such equipment and materials and will likely take advantage of these credits.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director